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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

1 UNITED STATES PATENT AND TRADEMARK OFFICE
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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

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8 *Ex parte* THOMAS ANTHONY COFINO, JUHNYOUNG LEE, and
9 MARK EDWARD PODLASECK
10

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12 Appeal 2008-2348
13 Application 10/620,407
14 Technology Center 3600
15

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17 Decided:¹ February 6, 2009
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20 Before WILLIAM F. PATE, III, ANTON W. FETTING, and
21 JOHN C. KERINS, *Administrative Patent Judges*.

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23 FETTING, *Administrative Patent Judge*.

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25 DECISION ON APPEAL
26

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STATEMENT OF THE CASE

¹ The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

1 Thomas Anthony Cofino, Juhnyoung Lee, and Mark Edward
2 Podlaseck (Appellants) seek review under 35 U.S.C. § 134 of a final
3 rejection of claims 1-22, the only claims pending in the application on
4 appeal.

5 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)
6 (2002).

7
8 We AFFIRM.

9 The Appellants invented a way of providing bids to customers over
10 networks. A bid agent receives requests for products. A bid request process
11 sends a bid request to other stores requesting a bid on the selected product.
12 A bid receiving process then receives the bids and resends the bids to the
13 user (Specification 6: Summary of Invention).

14 An understanding of the invention can be derived from a reading of
15 exemplary claim 1, which is reproduced below [bracketed matter and some
16 paragraphing added].

17 1. A computer system for comparison shopping over one or
18 more networks,
19 the system comprising:
20 [1] one or more central processing units (CPUs),
21 one or more memories, and
22 one or more network interfaces
23 in communication with one or more networks;
24 [2] a bid agent process
25 adapted to determine whether one or more products are
26 described in information communicated to a user,
27 where the bid agent process is further adapted to
28 determine whether the user chooses to receive bids on the
29 one or more products described in the information and
30 adapted to create a bid request if the user chooses to
31 receive bids on the one or more products described in the
32 information; and

[3] a broker
that sends the bid request over one or more of the
network interfaces to one or more stores,
the broker using one or more values of a closeness
measure to determine one or more related products
associated with a selected product,
where the one or more values of the closeness measure
are determined using attributes of the selected product
and the one or more related products,
the bid request requesting a bid on the selected product
and at least one of the one or more related products, and
wherein the broker receives bids from the stores and
resends the bids over one or more of the network
interfaces to a user.

This appeal arises from the Examiner's Final Rejection, mailed June
20, 2005

The Appellants filed an Appeal Brief in support of the appeal on
March 30, 2007. An Examiner's Answer to the Appeal Brief was mailed on
June 20, 2007. A Reply Brief was filed on June 20, 2007.

PRIOR ART

The Examiner relies upon the following prior art:

Herz	US 2001/0014868 A1	Aug. 16, 2001
Issa	US 2003/0093355 A1	May 15, 2003
Ojha	US 6,598,026 B1	Jul. 22, 2003

REJECTIONS

Claims 1, 2, 5, 10-13, 17, and 22 stand rejected under 35 U.S.C.
§ 102(b) as anticipated by Herz.

Claims 3, 4, 6-9, 14, 15, 18, 20, and 21 stand rejected under 35 U.S.C.
§ 103(a) as unpatentable over Herz and Ojha.

Claims 16 and 19 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Herz and Issa.

ISSUES

The issues pertinent to this appeal are:

- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 1, 2, 5, 10-13, 17, and 22 under 35 U.S.C. § 102(b) as anticipated by Herz.
- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 3, 4, 6-9, 14, 15, 18, 20, and 21 under 35 U.S.C. § 103(a) as unpatentable over Herz and Ojha.
- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 16 and 19 under 35 U.S.C. § 103(a) as unpatentable over Herz and Issa.

The pertinent issues turn on whether Herz describes the bid arrangements as claimed.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Herz

01. Herz is directed to constructing product offers tailored to individual shoppers, to maximize the vendor's profits. They are communicated either to the vendor, who may act on them as desired, or to an on-line computer shopping system that directly makes such offers to shoppers (Herz ¶ 0004).

02. Herz's system uses one or more computers with databases and network interfaces (Herz ¶ 0022).
03. Herz's system uses terminals at a location that is remote to the system. The terminals can be located in a retail establishment or can be located in the shopper's residence (Herz ¶ 0022).
04. Herz sends text and/or graphics to the shopper's terminal, perhaps interactively in response to further choices made by the shopper, to describe offers to the shopper. Offers that are directly relevant to the shopper's stated goals might be displayed more centrally than offers that the shopper may be interested in but has not explicitly asked for. The shopper may browse through the offers and accept one or more offers (Herz ¶ 0038).
05. If a shopper elects not to accept an offer immediately, the system may provide the shopper with a "coupon" (or other credential) certifying that the shopper is entitled to the same offer until some future date. The coupon can be a short document specifying the ID of the shopper, the terms of the offer, and the date of expiration. The coupon could instead be electronically transferred at the point of sale to a smart card (Herz ¶ 0038).
06. Vendors select the offers they make (Herz ¶ 0037).
07. Herz places offers in a hierarchical cluster tree that imposes a useful organization on the collection of offers available for browsing by a shopper. The shopper first chooses one of the highest level (largest) clusters from a menu, and is presented with a menu listing the subclusters of said cluster, whereupon the shopper may select one of these subclusters. The system locates

the subcluster, via the appropriate pointer that was stored with the larger cluster, and allows the shopper to select one of its subclusters from another menu. This process is repeated until the shopper comes to a leaf of the tree, which yields the details of an actual offer (Herz ¶ 0252).

08. Offers are placed in clusters based on similarity. This similarity is measured by defining the distance between two values of a given attribute according to whether the attribute is a numeric, associative, or textual attribute. If the attribute is numeric, then the distance between two values of the attribute is the absolute value of the difference between the two values (Herz ¶ 0147). The two offers are similar to the extent the distance is close to zero (Herz ¶ 0150). This may be determined by comparing to an upper bound (Herz ¶ 0151). The process of determining similarity is done iteratively until cluster sizes are sufficiently small (Herz ¶ 0191).

09. Herz weights the values associated with the similarity attributes according to their relative importance (Herz ¶ 0174).

Ojha

10. Ojha is directed to electronic commerce for facilitating online transactions which allows traditional negotiation between a buyer and a seller to occur (Ojha 2:47-50).

11. Ojha provides a buyer's interface that allows him to search a proprietary database for current product information for a variety of products being offered for sale by a number of sellers. The buyer may save the product information for any products in which

he is interested to one or more shopping lists which becomes part of his interface. For each product saved in the shopping list a bid button is provided, activation of which causes a bid interface to be presented by which the buyer may submit a non-binding bid to the seller of that particular product. The bid is made available to a number of different sellers offering the same product. Using the shopping list, the buyer may make a number of bids for the same or different products to a number of different sellers simultaneously (Ojha 2:54 – 3:20).

12. Ojha's buyer can create and simultaneously maintain as many shopping lists as desired. Moreover, for each shopping list created, the buyer may specify a variety of attributes which affect the way in which each shopping list is used to facilitate transactions. The buyer may specify whether a particular item will automatically solicit quotes from a plurality of sellers once a corresponding entry is added to one of the buyer's shopping lists (Ojha 10:8-21).

Issa

13. Issa is directed to conducting an online auction of a monetary amount for a specified category of items (Issa ¶ 0029).

Facts Related To The Level Of Skill In The Art

14. Neither the Examiner nor the Appellants have addressed the level of ordinary skill in the pertinent arts of systems analysis and programming, commercial systems design, sales and marketing systems design, marketing analytics, communications systems design, and negotiated sales systems design. We will therefore

consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown’”) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

Facts Related To Secondary Considerations

15. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

Claim Construction

During examination of a patent application, pending claims are given their broadest reasonable construction consistent with the specification. *In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003) (claims must be interpreted “in view of the specification” without importing limitations from the specification into the claims unnecessarily).

Although a patent applicant is entitled to be his or her own lexicographer of patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the specification with sufficient

clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses to give terms uncommon meanings, the inventor must set out any uncommon definition in some manner within the patent disclosure so as to give one of ordinary skill in the art notice of the change).

Anticipation

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987). "When a claim covers several structures or compositions, either generically or as alternatives, the claim is deemed anticipated if any of the structures or compositions within the scope of the claim is known in the prior art." *Brown v. 3M*, 265 F.3d 1349, 1351 (Fed. Cir. 2001). "The identical invention must be shown in as complete detail as is contained in the ... claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236 (Fed. Cir. 1989). The elements must be arranged as required by the claim, but this is not an *ipsissimis verbis* test, i.e., identity of terminology is not required. *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990).

Obviousness

A claimed invention is unpatentable if the differences between it and the prior art are "such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art." 35 U.S.C. § 103(a) (2000); *KSR Int'l Co. v. Teleflex Inc.*, 127 S.

Ct. 1727, 1729-30 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that the obviousness analysis is bottomed on several basic factual inquiries: “[1] the scope and content of the prior art are to be determined; [2] differences between the prior art and the claims at issue are to be ascertained; and [3] the level of ordinary skill in the pertinent art resolved.” 383 U.S. at 17. *See also KSR Int’l v. Teleflex Inc.*, 127 S. Ct. at 1734. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, at 1739.

“When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.” *Id.* at 1740.

“For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.” *Id.*

“Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.” *Id.* at 1742.

ANALYSIS

Claims 1, 2, 5, 10-13, 17, and 22 rejected under 35 U.S.C. § 102(b) as anticipated by Herz.

1 The Appellants intermixed arguments for rejections of claim 1 under
2 anticipation with the arguments of claims 20 and 21 under obviousness (Br.
3 5-9). We make findings as to only those related to Herz in this section
4 because we are here making findings as to the anticipation by Herz. We take
5 up the arguments under obviousness in the section *infra* for claims 20 and
6 21.

7 The Appellants argue claims 1, 2, 5, 12, 13, 17, and 22 as a group.
8 Accordingly, we select claim 1 as representative of the group.
9 37 C.F.R. § 41.37(c)(1)(vii) (2007).

10 The Examiner found that Herz anticipated claim 1 by finding that
11 Herz is capable of being adapted to perform each of limitations [2] and [3]
12 (Answer 3-4).

13 The Appellants contend that Herz does not disclose or suggest
14 determining whether the user chooses to receive bids on the one or more
15 products described in the information, and adapted to create a bid request if
16 the user chooses to receive bids on the one or more products described in the
17 information (Br. 6:First full ¶) and do not disclose or suggest a bid agent
18 process adapted to determine whether the user chooses to receive bids on the
19 one or more products and adapted to create a bid request if the user chooses
20 to receive bids on the one or more products described in the information; and
21 a broker that sends the bid request over one or more of the network
22 interfaces to one or more stores, and wherein the broker receives bids from
23 the stores and resends the bids over one or more of the network interfaces to
24 a user (Br. 7:Bottom ¶). The Appellants have not provided any analysis
25 behind these contentions, other than to argue the limitations are not in Herz
26 and that Herz does not recite or suggest the cited steps (Br. 6:First full ¶).

1 We find that Herz describes a system that constructs product offers
2 tailored to individual shoppers that are communicated either to the vendor or
3 to an on-line computer shopping system that directly makes such offers to
4 shoppers (FF 01). A bid is nothing more than an offer. Herz's system uses
5 the genus offer, and a bid is a species of that genus. Herz sends text and/or
6 graphics to the shopper's terminal, perhaps interactively in response to
7 further choices made by the shopper, to describe offers to the shopper. The
8 shopper may browse through the offers and accept one or more offers (FF
9 04).

10 Thus we find that Herz's interactive response by the customer
11 determines whether the user chooses to receive bids on the one or more
12 products described in the text or graphics, and Herz's system is adapted to
13 create a bid request, *viz.* the offer selected by the customer, if the user
14 chooses to receive bids, as evidenced by the customer's selection, on the one
15 or more products described in the information.

16 We further find that the interactive process *supra* determines whether
17 the user chooses to receive bids, *viz.* a selected offer, on selected products
18 and Herz's system creates a bid request in the form of an electronic or
19 physical coupon if the user chooses to receive such (FF 05). The broker in
20 the form of Herz's system sends the offers to the terminals which may be
21 located in stores (FF 03) via the network interfaces (FF 02). Vendors select
22 the offers that are made (FF 06) and therefore Herz's system, *i.e.*, broker,
23 receives the selected offers from the stores in the form of the vendors and
24 resends the offer to the customer if the offer meets the selection criteria.
25 Thus all of the limitations under contention are found within Herz.

Claims 10 and 11 further require determining one or more related products by determining that a closeness value is less than a replacement factor (claim 10) and determining the closeness measure by weighting attribute factors for both the first and the related products to determine a sum of differences (claim 11). The Appellants contend that Herz fails to describe these limitations (Br. 7-8).

We disagree with the Appellants. Herz clusters similar offers for presentation to customers. Clustering is done by selecting those offers minimizing the measured difference between the offers, and further by weighting the value of attributes according to importance (FF 07 - 09). The minimizing computations can rely on an upper bound, which would be a value the closeness must be less than.

The Appellants have not sustained their burden of showing that the Examiner erred in rejecting claims 1, 2, 5, 10-13, 17, and 22 under 35 U.S.C. § 102(b) as anticipated by Herz.

Claims 3, 4, 6-9, 14, 15, 18, 20, and 21 rejected under 35 U.S.C. § 103(a) as unpatentable over Herz and Ojha.

Independent claims 20 and 21 are similar to claim 1, but are drawn to a method and to software performing the method. The Examiner found that Ojha described the steps in these methods but did not describe using a closeness measure to determine related products associated with a selected product, where the closeness measure was determined using attributes of the selected product and related products, and the bid request requesting a bid on the selected product and at least one of the one or more related products. However, the Examiner had found these to be described by Herz in the

findings as to claim 1. The Examiner implicitly found one of ordinary skill would have combined the two references to achieve the flexibility of Ojha's shopping list with Herz's online shopping experience (Answer 8-10).

The Appellants contend that Ojha does not disclose that a bid request is sent to one or more stores or over one or more network interfaces (Br. 7:First full ¶). We disagree with the Appellants. Using the shopping list, Ojha's buyer may make a number of bids for the same or different products to a number of different sellers simultaneously (FF 11). The buyer may specify whether a particular item will automatically solicit quotes from a plurality of sellers once a corresponding entry is added to one of the buyer's shopping lists (FF 12).

The Appellants have not sustained their burden of showing that the Examiner erred in rejecting claims 3, 4, 6-9, 14, 15, 18, 20, and 21 under 35 U.S.C. § 103(a) as unpatentable over Herz and Ojha.

Claims 16 and 19 rejected under 35 U.S.C. § 103(a) as unpatentable over Herz and Issa.

The Appellants do not separately argue these claims and therefore they have similarly not sustained their burden of showing that the Examiner erred in rejecting claims 16 and 19 under 35 U.S.C. § 103(a) as unpatentable over Herz and Issa.

CONCLUSIONS OF LAW

The Appellants have not sustained their burden of showing that the Examiner erred in rejecting claims 1, 2, 5, 10-13, 17, and 22 under 35 U.S.C. § 102(b) as anticipated by Herz, and in rejecting claims 3, 4, 6-9,

1 14-16, and 18-21 under 35 U.S.C. § 103(a) as unpatentable over the prior
2 art.

3
4 **DECISION**

5 To summarize, our decision is as follows:

- 6 • The rejection of claims 1, 2, 5, 10-13, 17, and 22 under 35 U.S.C. §
7 102(b) as anticipated by Herz is sustained.
- 8 • The rejection of claims 3, 4, 6-9, 14, 15, 18, 20, and 21 under 35
9 U.S.C. § 103(a) as unpatentable over Herz and Ojha is sustained.
- 10 • The rejection of claims 16 and 19 under 35 U.S.C. § 103(a) as
11 unpatentable over Herz and Issa is sustained.

12 No time period for taking any subsequent action in connection with
13 this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

14
15 **AFFIRMED**
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